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## American Republics

### AGREEMENTS WITH MEXICO

#### STATEMENT BY THE SECRETARY OF STATE

[Released to the press November 19]

The agreements which Mexico and the United States have reached today are of outstanding importance in the relations between the two countries. Not only do they concern most of the principal mutual problems which have long been pending between the two sister republics but they mark a new milestone of great importance in the cause of increasingly closer collaboration and solidarity between the countries of the New World. These agreements constitute a further concrete proof of the fact that problems existing between nations are capable of mutually satisfactory settlement when approached in a reciprocal spirit of good will, tolerance, and a desire to understand each other's points of view.

These agreements have been reached only after months of discussion and negotiation. Some of the questions involved, such as those coming under the heading of General Claims, have defied solution for generations. Others, such as those growing out of the expropriation of petroleum properties owned by nationals of the United States, while of comparatively recent origin, have presented very difficult and complicated issues.

The scope of these agreements is evident from their mention. They cover an adjustment of property claims including the so-called General Claims and the agrarian claims, an agreement covering the expropriation of United States petroleum properties; an agreement in principle to negotiate a reciprocal-

trade agreement; an arrangement between the United States Treasury Department and the Mexican Government and the Banco de Mexico for the stabilization of the Mexican peso; an agreement for purchase by the United States Treasury Department of newly mined Mexican silver directly from the Mexican Government; and an agreement between the Export-Import Bank and the Mexican Government for the extension of credits to facilitate the completion of the Inter-American Highway through Mexico. A separate statement regarding the broad outlines of the several agreements has been made available by the Department.

The agreement covering the petroleum expropriations deserves special mention. The petroleum properties were expropriated three and one half years ago. Since that time negotiations have been repeatedly undertaken by the Mexican Government and the affected United States interests. Unfortunately, the negotiations involving the largest United States interests were fruitless. Although this Government was not a direct participant in these negotiations it did what it could to facilitate a solution of the problem through both formal and informal representations to the Mexican Government.

In view of the total absence of any negotiations between the American interests and the Mexican Government during the present calendar year, and because of the importance of advancing the petroleum dispute to a prompt

settlement, this Government undertook to canvass the problem with the Mexican Government in the hope that a fair and equitable arrangement might be reached.

This Government believes that the arrangement signed today embodies a practical, efficient, and equitable procedure for promoting a solution of this question. Its central feature

is provision for the determination of the value of the expropriated properties, rights, and interests. This information obviously is essential in connection with any settlement. The American interests involved will retain full liberty of action in determining the course they will pursue before, during, and after the valuation proceedings.

### SUMMARY OF THE AGREEMENTS

[Released to the press November 19]

The Governments of the United States and Mexico, desirous of finding practical solutions for a number of problems of mutual interest, have been engaged in a series of conversations and negotiations over a period of months. The Department announces with deep satisfaction that, as a result of these discussions, agreement has been reached with regard to a number of those matters, as follows:

#### I. EXPROPRIATION OF PETROLEUM PROPERTIES

By an exchange of notes on November 19 between the Mexican Ambassador and the Department of State, provision is made for determining the amount due to the American companies and interests whose properties and rights have been affected to their detriment by acts of the Mexican Government through acts of expropriation or otherwise on March 18, 1938 and subsequent thereto excepting those which have already made separate arrangements with the Mexican Government.

The two Governments will each appoint within the next 30 days an expert whose duty it shall be to determine the just compensation to be paid the American owners for their properties and rights and interests.

If the American and Mexican experts shall agree upon the amount to be paid, they shall render their joint report to the two Governments within five months. If they shall be unable to reach an agreement within that time, each shall submit a separate report to his Government within a further period of

30 days. Upon the receipt of such reports, the two Governments shall seek through diplomatic negotiations to determine the amount of compensation to be paid.

The Mexican Government is at this time making a cash deposit of \$9,000,000 on account of the compensation to be paid the affected American companies and interests.

#### II. CLAIMS

The two Governments have found a means, so long lacking, of adjusting other outstanding property claims, including the so-called General Claims and the agrarian claims.

Under a claims convention signed on November 19, 1941, Mexico agrees to pay to the United States the sum of \$40,000,000 in full settlement of these property claims. Mexico will make a payment of \$3,000,000 on account at the time of exchange of ratifications of the convention. Mexico has already made payments amounting to \$3,000,000 on account of agrarian claims arising between August 30, 1927 and October 7, 1940.

The balance remaining due to the United States amounting to \$34,000,000, after the \$3,000,000 payment when ratifications are exchanged, will be liquidated over a period of years through the annual payment by Mexico of \$2,500,000, beginning in 1942.

#### III. TRADE AGREEMENT

The two Governments have decided in principle to negotiate a reciprocal-trade agreement. Formal announcement of intention to negoti-



ate will be made in due course, in accordance with the pertinent provisions of law.

#### IV. STABILIZATION OF THE MEXICAN PESO - U. S. DOLLAR RATE OF EXCHANGE

The Treasury Department has entered into an agreement for monetary and financial cooperation with the Mexican Government and the Banco de Mexico, which will provide, among other things, for the purchase of Mexican pesos with United States dollars. The U. S. dollars thus acquired by the Mexican authorities will greatly assist them in stabilizing the exchange value of the peso in terms of the dollar, to the mutual benefit and advantage of the two countries.

#### V. MEXICAN SILVER

The Treasury Department has also indicated its willingness to purchase newly mined Mexican silver direct from the Mexican Government on a basis similar to that under which such purchases were made prior to 1938.

#### VI. FINANCING OF MEXICAN PROJECTS

The Mexican Government has been engaged for a number of years in an important highway-construction program. It has financed a large

part of this construction through the issuance of highway bonds which have been consistently serviced without any delays or difficulties. In order that the Mexican Government may expedite this highway-construction program, it has requested the Export-Import Bank to accept certain of these highway bonds as security for credits. The Export-Import Bank has acceded to this request and has opened a credit on this account.

It will be recalled that the Mexican highway system is a most important part of the Inter-American Highway and that construction work is well advanced in Mexico and a number of the other American republics.

The Export-Import Bank is disposed to consider sympathetically other requests for credits for developments in Mexico, whether they are to be executed by the Mexican Government or are private enterprises guaranteed by that Government, or one of its official agencies.

#### VII. OTHER PROBLEMS

The two Governments are actively continuing to study all other problems of interest to them.

The text of the exchange of notes follows.

### EXCHANGE OF NOTES

"November 19, 1941.

"EXCELLENCY:

"I have the honor to acknowledge the receipt of Your Excellency's note of today's date, reading as follows:

"I have the honor to refer to recent conversations I have had with Your Excellency with reference to compensating the nationals of the United States of America whose properties, rights or interests in the petroleum industry in the United Mexican States were affected by acts of expropriation or otherwise by the Government of Mexico subsequent to March 17, 1938.

"It is my understanding that the following has been agreed upon:

"1. Each of the Governments will appoint, within the thirty days following the date of this note, an expert whose duty it shall be to determine the just compensation to be paid the nationals of the United States of America whose properties, rights or interests in the petroleum industry in the United Mexican States were affected to their detriment by acts of the Government of Mexico subsequent to March 17, 1938. Nevertheless, the provisions of this note do not apply to properties, rights or interests which may have been included in any arrangement with respect to their purchase, transfer or indemnification concluded between their owners or possessors and the Government of the United

Mexican States and, in consequence, the experts will exclude from their evaluation proceedings and reports said rights, interests and properties.

"2. The designated experts will hold their first meeting in Mexico City within 15 days following the appointment last made by either Government. The later meetings and other activities of the experts will take place on the dates and at the places which the experts themselves determine within the periods contemplated by this agreement and they shall be held on Mexican territory.

"3. Each Government shall designate such assistants as the respective experts may require to facilitate their labors.

"4. The expenses of salaries, maintenance, transportation and other incidental expenditures of the experts and their assistants, will be met by the Government naming them. The joint expenses incurred during the proceedings of the experts shall be shared equally by the two Governments.

"5. The experts shall at all times closely collaborate and cooperate in their evaluation proceedings. They may obtain directly such data and evidence as they may consider pertinent to forming their opinion, or receive them from the interested persons and institutions and from the Governments of Mexico and of the United States of America.

"6. The experts shall have free access to all records in the possession of the Mexican Government, as well as to the oil fields, lands, installations, offices, buildings and any other properties whatsoever involved directly or indirectly in the evaluation. The United States expert, on the request of the Mexican expert, will ask the interested persons and institutions for pertinent evidence; when such request relates to evidence already submitted by such persons or institutions their refusal to comply with the request will bring into operation the applicable provision of paragraph 9.

"7. As soon as one expert obtains or learns of any pertinent data, report, or evidence, he will inform the other. Either expert may request from the other the furnishing of any data, report or evidence which for any reason are available only to the other.

"8. Within a period of two months, from the date of their first meeting, the experts shall obtain and receive all data, reports, and evidence; except that a further period of one month shall be allowed for the presentation by either expert of additional data, reports and evidence complementing, clarifying or rectifying the material obtained or received in the said period of two months.

"9. The experts are required to examine and appraise all the proofs obtained directly or that may be submitted to them. They shall not take into account any specific evidence submitted *ex parte* when the person or institution submitting it refuses in connection with it to furnish pertinent complementary evidence requested by the United States expert, in accordance with the provisions of paragraph 6. The experts shall not take into account reasons of a technical nature in formulating their decisions—be these joint or those submitted in disagreement—but will fix adequate indemnities on the basis of common rules of justice and equity and will be guided by the value of the properties, rights or interests at the time they were affected by acts of the Government of Mexico provided that these properties, rights or interests had been acquired by nationals of the United States of America prior to March 18, 1938.

"10. The experts shall complete their work within five months from the date of this note. If they are in accord regarding the amount of the compensation due to the affected United States nationals, they shall submit a joint report to the two Governments fixing exactly the indemnities upon which they agree. The experts shall formulate recommendations as to the manner and conditions of payment of the compensation.

"11. The experts shall fix equitable interest upon the indemnity compensation they find due; this interest will apply from the date fixed by these experts up to the time of payment.

"12. Both Governments agree to consider unappealable the joint report resulting from the agreement of the experts, and, in consequence, as definitive, the compensation and interest fixed in such report.

"13. If, within the period indicated in paragraph 10, the experts are unable to reach agreement regarding the amount of just compensation, each one, within an additional period of one month, shall submit to his own Government a separate report specifying the compensations which he considers due.

"14. In the event that the two experts fail to agree, and upon the expiration of the period specified in paragraph 13, the two Governments shall, within a period of one month, initiate diplomatic negotiations with a view to establishing the amount of the compensations to be paid.

"15. If, within a period of five months from the date of initiation of diplomatic negotiations, as provided in paragraph 14, the two Governments do not agree upon the amount of compensation to be paid, the present agreement shall be without effect, and there shall be returned to the United Mexican States, at the request of the Government thereof, the amount deposited in accordance with the pertinent stipulation of the following paragraph.

"16. The two Governments shall agree upon the manner and conditions of payment of the compensation found to be due to the affected United States nationals under either of the two aforementioned procedures. Such payment shall, however, be completed within a period of not more than seven years.

"The Government of Mexico will deliver today, as a deposit, to the Government of the United States of America, the sum of \$9,000,000 (NINE MILLION DOLLARS), United States currency, which sum shall be applied immediately on account of the compensation determined to be due.

"17. The Government of the United States will facilitate negotiations between the Government of Mexico and representatives of such oil companies as may be interested in an agreement for the marketing of exports of Mexican petroleum products.

"18. Nothing contained in this note shall be regarded as a precedent or be invoked by either of the two Governments in the settlement, between them, of any future difficulty, conflict, controversy or arbitration. The action herein provided for is considered as singular and exceptional, appropriate solely to this case, and motivated by the character of the problem itself."

"In reply, I have the honor to confirm the understanding we have reached as set forth in Your Excellency's note under reference.

"Accept [etc.] CORDELL HULL"

"His Excellency Señor Dr. Don  
FRANCISCO CASTILLO NÁJERA,  
"Ambassador of Mexico."

#### USE OF FOREIGN-FLAG SHIPS IMMOBILIZED IN AMERICAN PORTS

The Inter-American Financial and Economic Advisory Committee, consisting of representatives of the 21 American republics, at a meeting on November 14, 1941 at the Pan American Union, adopted a resolution recommending the formation of a special commission to formulate plans for the efficient use of all merchant vessels available for service between the American republics, including foreign-flag ships immobilized in American ports. Countries which have taken over or are in a position to take over the foreign-flag ships are the United States, Argentina, Brazil, Chile,

Colombia, Cuba, Ecuador, Mexico, Peru, Uruguay, and Venezuela. The text of the resolution follows:

"WHEREAS:

#### I

"There was placed in effect on August 28, 1941<sup>1</sup> a plan for the effective use in the interest of inter-American commerce of the ships to which the Resolution of the Inter-American

<sup>1</sup> Bulletin of August 30, 1941, p. 165.



Financial and Economic Advisory Committee of April 26, 1941<sup>1</sup> refers:

## II

"The principles in paragraphs 1 and 3 of the Inter-American plan to which the same Resolution refers are the following:

"(1) The basic principle of the plan is that the vessels now lying in American ports shall be utilized in accordance with the resolution of April 26, 1941 in such a manner as to promote the defense of the economies of the American Republics as well as the peace and security of the continent.

"(3) In order to attain the maximum efficiency in the operation of available shipping, there must be the closest cooperation among the maritime authorities of the ship-operating nations of the Western Hemisphere in planning the most effective use of all available vessels. This cooperation must extend to the allocation of particular vessels to the several trade routes; to efficient scheduling where more than one shipping line serves an individual port or nation; to the diversion of at least minimum shipping facilities to those nations not reasonably adequately served and in which there lie no or not sufficient inactive vessels to alleviate at least partially the situation; and to the exchange or interchange among the ship-operating nations of vessels of various types in order that each may operate the type of vessels which it is in a position to handle and which are appropriate to the type of commerce to be borne."

## III

"The Inter-American Financial and Economic Advisory Committee, on August 7, 1941, adopted a report of the Special Subcommittee on Immobilized Ships, that contains the following:

"6. The Subcommittee has noted that three of the Governments—Argentina, Chile and Mexico—have raised some questions with regard

to paragraph 3 of the plan, which is intended to provide for the closest cooperation in the utilization of all available vessels in the Western Hemisphere. Such cooperation will be that of sovereign nations, however, and it is intended that the Inter-American Financial and Economic Advisory Committee shall have no more than an advisory status in the matter."

## "RESOLVES:

"1. To recommend the organization of a Commission that will be a dependency of the Inter-American Financial and Economic Advisory Committee, and that will consist of one representative of the aforementioned Committee, who will act as Chairman of the Commission, and also of experts representing the respective Maritime Authorities, each one to be designated by each of the Governments of the American Republics that have taken, or are in a position to take over, the immobilized ships referred to by the inter-American plan approved August 28, 1941. The representative of the Inter-American Financial and Economic Advisory Committee will be chosen by the Chairman from among those Delegates to the Committee that do not represent any of the countries appointing the other members of the Commission.

"2. The Commission will carry out the aims contained in paragraphs 1 and 3 of the aforementioned inter-American plan, and to this effect, will meet regularly in its place of residence, which will be in the United States of America, in order to formulate plans for the efficient use of all the merchant vessels available for service between the American Republics and to recommend to the Maritime Authorities the allocation of such vessels to particular routes or to the carrying of articles of a specific nature. The Commission will communicate its recommendations to the Maritime Authorities through the Inter-American Financial and Economic Advisory Committee.

"3. In order to avoid any delay in the functioning of the Commission, it will be considered as constituted as soon as four of its members have been designated."

<sup>1</sup> Bulletin of May 3, 1941, p. 531.



# ILLNESS OF THE PRESIDENT OF CHILE

[Released to the press November 18]

The President has sent the following telegram to His Excellency Dr. Don Pedro Aguirre Cerda, President of the Republic of Chile:

"NOVEMBER 17, 1941.

"It was with very deep regret that I learned that ill health had necessitated your laying aside temporarily the duties of the Executive. I most earnestly hope that the rest which you so well deserve will promptly restore you once again to good health. With warm personal good wishes.

FRANKLIN D ROOSEVELT"

## PRESENTATION OF LETTERS OF CREDENCE BY THE AMBASSADOR OF PANAMA

[Released to the press November 17]

A translation of the remarks of the newly appointed Ambassador of Panama, Señor Don Ernesto Jaén Guardia, upon the occasion of the presentation of his letters of credence follows:

"MR. PRESIDENT:

"It gives me particular pleasure to have the high honor of presenting to you, together with the respectful and cordial greetings of the meritorious citizen who today governs the destinies of the Republic of Panama, the autograph letters which accredit me as Ambassador Extraordinary and Plenipotentiary of my country near the Government which your illustrious person patriotically guides along the true course of real democracy.

"It is also an honor for me to present to you, Mr. President, the letters of recall of my worthy predecessor, Dr. Carlos N. Brin, who, by his high qualities, was able to win Your Excellency's esteem.

"The new leaders of the Government of the Republic of Panama will, as respects international policy, frankly and sincerely accept the declarations made at the meeting of Foreign Ministers held in Panamá and ratified in Habana in the sense of maintaining continental solidarity to the benefit of the democratic spirit which represents the bases of its institutions,

"The Government of my country, conscious of its historic mission, understands that in order to defend the fundamental interests and ideals of the American Continent it is indispensable that there be close cooperation among each and all of the American nations, and it will act in a manner compatible with its traditional democratic spirit within the principles laid down by its dignity as a sovereign country.

"My Government is especially eager to carry to a happy settlement the negotiations which have been carried on relating to various matters of joint interest to our two Governments. In the light of the friendly consideration which Your Excellency's Government has given to certain questions of importance to the Republic of Panama, I am confident that, on a plane of mutual cooperation and good understanding, an agreement will soon be reached satisfactory to both countries.

"In truth, Excellency, your Nation and mine can be proud to offer to the world the noblest example of international friendship. Together our countries succeeded in humbling the Andes in order that the two oceans should embrace in peace, on the virgin soil of the Isthmus of Panama, thus bringing to pass that dream of centuries: the Panama Canal. Today we struggle together, mingling our sweat, our strength, and even our blood in works which complement that canal, in the defense of which we are both vitally interested.

"Mr. President, my Government knows that in this great democracy it has understanding and faithful friends who will grant to my country the same unshakeable friendship and the noblest cooperation, in this way maintaining the bonds of sincere harmony which have always existed between our two countries.

"I wish, Excellency, to take advantage of this opportunity which destiny has offered me to say to you that, having lived in this great democracy for ten years, studying in its universities and practicing my profession after completing my studies, I have an accurate understanding of the mentality of this great Nation and such mentality, as respects the inter-American policy, is fully identified with the

policy of the Good Neighbor which you have so brilliantly sponsored.

"In beginning my duties as Ambassador Extraordinary and Plenipotentiary of the Republic of Panama, I wish to renew to you, Excellency, the most cordial wishes of the Chief of the Executive Power of my country and my own for the prosperity of the people of the United States of America and for Your Excellency's personal happiness."

The President's reply to the remarks of Señor Don Ernesto Jaén Guardia follows:

"MR. AMBASSADOR:

"In receiving with pleasure the letters from the Chief of the Executive Power of the Republic of Panama, accrediting you as Ambassador Extraordinary and Plenipotentiary of Panama near the Government of the United States of America, which you have presented to me, I wish to thank His Excellency the Chief of the Executive Power, through your person, for the good wishes which you bring to me on his behalf.

"I accept also the letters of recall of your distinguished predecessor, Dr. Carlos N. Brin, whose relations with the officials of this Government were conducted upon a most friendly basis.

"There is indeed, Mr. Ambassador, as you state, a notable reason for the particularly close and cordial relationship between the United States of America and the Republic of Panama. I share with you the aspiration of your Government that the most effective cooperation and firm friendship shall continue, during these troubled times, and afterwards, between our two Governments and peoples.

"The fundamental principles of continental solidarity reaffirmed by Your Excellency's Government, together with those of the United States of America and our nineteen sister republics at the conferences of Foreign Ministers held in Panamá and Habana, form the unshakeable foundation on which the security of our national liberties and sovereignty has been built.

"The several years which you spent in this country as a student, and in the profession of engineering, undoubtedly gives you not only a familiarity with the life and thought of our people, but also an appreciation of the peculiar significance of the Panama Canal, an engineering feat to which the labor and genius of both of our peoples contributed.

"I take pleasure in informing you that the Government of the United States and its officials are prepared in every way to facilitate your efforts in the performance of the important mission which has been entrusted to you.

"I wish to take advantage of this opportunity, Mr. Ambassador, to request you to inform the distinguished Chief of the Executive Power of your country, Señor Ricardo Adolfo de la Guardia, that I send him my warmest personal greetings and wishes for his well being, and also those of the Government of the United States, for the continued prosperity of the people of Panama."

## The Near East

### VISIT TO THE UNITED STATES OF THE KING OF GREECE

[Released to the press November 17]

His Majesty King George II of the Hellenes will visit the United States for about three weeks the beginning of next month. The King's younger brother, Crown Prince Paul, and the Prime Minister of Greece, Mr. Emanuel Tsouderos, and a small staff, will accompany the King. During his visit His Majesty expects to spend a few days in Washington, New York, and probably Chicago. During the visit to the Capital, the King will spend the night at the White House.

[Released to the press November 21]

At the request of His Majesty the King of Greece, his visit to the United States, which was to have taken place early next month, has been postponed until a later date. Further details, including the date of arrival in the United States, will be announced later.

## Europe

### SUSPENSION OF ECONOMIC ASSISTANCE TO FRENCH NORTH AFRICA

[Released to the press November 20]

According to reports reaching the Department the French Government has acquiesced to the express demand of Hitler to remove General

Weygand from his post as Delegate General of France in Africa, thus permitting a German control over French authority entirely outside of the provisions of the Armistice. As a result of these reports American policy toward France is being reviewed, and all plans for economic assistance to French North Africa are suspended. It remains to be seen to what further extent Hitler will attempt to take over by force or threat of force the sovereignty and control of the French Empire.

## National Defense

### THE DEFENSE OF AMERICA

#### ADDRESS BY ASSISTANT SECRETARY LONG<sup>1</sup>

[Released to the press November 17]

The defense of America is the purpose of the organization under whose auspices this meeting tonight is being held. I am gratified to see the cooperation of individual citizens in national defense, as manifested in this organization.

In a dangerous world, with aggressor nations endeavoring to win control of the seas and conquer the earth, the paramount aim of our national policy must be self-defense—the preservation of the security and safety of the Nation.

Hitler's program of world-conquest has as its great intermediate objective the capture of Great Britain and the domination of the high seas. These high seas lead to this hemisphere and to these United States. Having overrun 16 European countries, he has now extended his submarine warfare far into the Atlantic. By terrorism and frightfulness he is endeavoring to drive our ships from the high seas. Even in the waters of the Western Hemisphere his

armed forces have attacked and destroyed our ships, as well as ships of other American republics, with resulting loss of American lives.

This progressing menace has made more than ever necessary for us a mighty effort in national defense. It has brought to our consciousness the fact that national defense involves activities beyond the borders of the United States in order to keep danger from our shores. It has caused us to understand that the oceans which lead to our shores must not be dominated by a force which desires to control this hemisphere as part of its program to dominate the world. It has made us realize that this hemisphere must be safe as a whole if its parts are to continue safe, and has convinced us of the necessity for hemispheric solidarity—for hemispheric defense—and for undisputable defense of the waters leading to this hemisphere.

It is encouraging that in this hour of world crisis no American would dissent from the transcendent need for defending our country. When the matter is looked at in its proper perspective, between the most extreme points of view on this question there is no difference in principle, but only in degree. Such disagreement as exists is at what point and by

<sup>1</sup> Delivered under the auspices of the Committee to Defend America, at the "Unite for Freedom Rally", Washington, November 16, 1941.



what specific measures defense must be undertaken. It is only a question of when or where or how to begin defense—but no question is raised of the necessity for defense.

All American citizens can rest assured that their civilian, military, and naval leaders in the Government who constantly study the question of national defense are taking the measures best calculated to guarantee the security of our Nation. These leaders have mapped out a program of national defense and are continuously adjusting it to meet changing conditions.

Our program of national defense has to be, of necessity, many-sided in order to meet any possible contingency. We must prepare to meet a challenge from whatever direction it may originate. Accordingly, we have undertaken a tremendous increase in our Army, our Navy, and our Air Corps. We have embarked upon a mighty program for the production of ships and tanks and planes and guns.

As an essential part of our own defense, we have extended material assistance to the nations which are resisting aggression. When France was falling this Government turned over to Great Britain large supplies of rifles, machine guns, field artillery, ammunition, and aircraft out of our surplus stocks of munitions. These articles arrived in the British Isles after the retreat from Dunkirk, when the British were in desperate need of military equipment. Since that time we have sent great quantities of military supplies to Great Britain, China, and Russia for their use in resisting aggression.

We have concluded an arrangement with Great Britain under which we have acquired long-time leases of eight strategically located naval and air bases, which enable us to create a protective girdle of steel along the Atlantic seaboard of the American Continent. We are engaged in defense consultations with the other American republics. We have cooperated with Canada in setting up a Permanent Joint Board on Defense, which deals with sea-, land-, and air-defense problems. We have concluded an

agreement which grants to the United States in Greenland the right to locate and construct airplane landing fields and facilities for the defense of the American Continent. We have undertaken the protection of Iceland in order to prevent the occupation by Germany of this strategical outpost which might be used as a base for eventual attack upon the United States and the other nations of the Western Hemisphere.

Within the past few days the Congress of the United States has provided for the repeal of parts of the Neutrality Act of 1939. The purpose of this repeal is to free our Nation from self-imposed shackles which have interfered with our freedom to take necessary measures of self-defense. With these restrictions removed, we are free to arm our merchant vessels for their own protection and, in extreme emergency, to use these ships for carrying supplies to nations which are resisting the attempt of aggressor nations to dominate the earth.

In planning our measures of self-defense we are constantly faced with the fact that the world of today, as compared with the world of our forefathers, is very much smaller as a result of the development of means of transportation and communication. A war in any part of the world is now of real concern to us because sparks from that conflagration might easily drift across to our own hemisphere. The bombing plane, with its swift flight and deadly cargo, looms as a constant menace to this country as long as ruthless and desperate aggressors are marching across the earth in an endeavor to secure world-domination.

In the days ahead sacrifice in some degree will be necessary for all of us. We must realize that the end in view is the preservation of our national existence, of our free institutions, of our way of life. It is to insure that the torch of liberty, lighted in this country a century and a half ago, shall not be extinguished. For that end, no sacrifice is too great. However, we can be assured that the sacrifice will not be of fundamental rights; it will be for the sake of making those rights secure.



I often think that in this country we are too prone to take our liberties for granted. We forget that they were brought about through the struggle and sacrifice of the founders of this Nation. We assume as a matter of course the perpetual existence of individual freedom, freedom of speech, freedom of religion, and freedom of the press. With our country surrounded on both sides by broad oceans, we would like to enjoy our leisure and luxury, and trust to the future to take care of itself. However, we cannot take for granted the continued existence of these liberties. We must be ready to defend them and to make additional sacrifices to secure their continuance.

The struggle to preserve our freedom will be hard, and it may be long. The forces of opposition are well organized and have been preparing for years. In the history of this country there have been many challenges to meet and overcome. We have always met them successfully. I do not doubt that we shall meet successfully the new and greater challenge confronting us today.

As I stand in this hall, named for our Charter of Government, I am reminded anew of a great cornerstone of that Charter. It is to "secure the blessings of liberty to ourselves and our posterity". I am confident that in the days to come we shall, by a united effort of the whole people, preserve the blessings of liberty for ourselves and for the future generations in America.

#### PRESENTATION OF LETTERS OF CREDENCE BY THE MINISTER OF ICELAND

[Released to the press November 21]

The remarks of the newly appointed Minister of Iceland, Mr. Thor Thors, upon the occasion of the presentation of his letters of credence follows:

"MR. PRESIDENT:

"I have the honor to present to Your Excellency the letters which accredit me near the Government of the United States of America

as Envoy Extraordinary and Minister Plenipotentiary of Iceland.

"The United States of America and Iceland are today closer connected and related in fact and mind than ever before. One of the many tokens thereof is the exchange of diplomatic representatives between the two nations for the first time.

"The Icelandic Government and the Icelandic Nation are profoundly aware that this event marks a decisive step in Iceland's struggle to regain the sovereignty and independence of our republic of ancient times.

"I am deeply sensible of the great honor and privilege accorded to me to have been appointed Iceland's first Minister to the United States and it will give me the greatest happiness to endeavor to further and cement the understanding and the friendly relations between our two peoples, which have existed since the dawn of our history and in recent times have become so explicit.

"Iceland is proud to recall the historic fact that it was Leifr Eiriksson, who was born and brought up in Iceland, who discovered this great mainland and, first of all white men, set foot on American soil in the year 1000. Furthermore, it was the Iclander, Thorfinnur Karlsefni who established the first European settlement in North America in the years 1003-1006. These are facts which bind together the history of the United States and the history of Iceland.

"However, there are many other common bonds of old and late.

"The colonization of Iceland is based on the fact that, because of the oppression of a king, many of the most independent, powerful, and prominent chieftains of Norway left their ancestral homes and sailed westwards in their Viking ships in search of freedom and independence. It is equally known that large numbers of the American colonists came here from foreign shores to escape oppression and to live in freedom. Thus the great American Nation and our small Nation have a strong common heritage—a love of freedom and longing for independence.

"Iceland founded its Parliament in the year 930 and formed a republic. Thus our two nations are also united by bond of democracy.

"Today, in the world's most fateful and decisive struggle for freedom and democracy, the greatest and most powerful democracy of the world and the oldest and smallest amongst free and democratic nations stand side by side. The tide of history has turned, and today the American Vikings set their course toward Iceland and there take their watchful stand. Today, Iceland's firm rocks rise as outposts of the defense of the Americas. We have freely lent our territory to the ideals of liberty and freedom which mean the very life both to the American and Icelandic Nations.

"In our present close relations there are, however, bound to be certain difficult problems, but I am confident that through the true spirit of cooperation these can and will be solved. The Icelandic Nation profoundly shares the hopes of the American people that their sons who now are the brave sentinels of the North may soon safely return to their happy hearths and homes after having effectively completed their important mission.

"The Government and the people of Iceland look with hope and complete confidence toward the United States and their great President. We are happy in the assurances of Iceland's complete independence and sovereignty which Your Excellency has given to my Government and deeply appreciate your pledge that, at the termination of the present war, the United States will advocate before the world full recognition of our independence and sovereignty.

"We know that freedom means life to every true American, and we hope and pray that the United States may ever be the fortress of liberty and the happy home of free men, and that the torch on the Statue of Liberty may

send its encouraging and liberating beams to every corner of the world.

"Mr. President, as I begin my mission near the Government of the United States, I wish to express my conviction that I shall always meet with strong, efficient assistance and the greatest good-will for the accomplishment of a task which is particularly pleasant for me and by which I am deeply honored."

The President's reply to the remarks of Mr. Thor Thors follows:

"MR. MINISTER:

"It is with a profound sense of the historic importance of the occasion that I accept from your hands the letters by which you are accredited Iceland's first Envoy Extraordinary and Minister Plenipotentiary near the Government of the United States. I am happy to receive you in that capacity. You may be assured of my willingness and that of the other officials of the Government to cooperate with you in the execution of your important mission.

"You are no stranger to this country, Mr. Minister, nor are Iceland and its people strangers to us. Their historic tradition of a thousand years of freedom and individual liberty is an inspiration to men the world over and a challenge to those evil forces which seek to shackle mankind in the bondage of slavery for years to come. We are proud that the course of history has now so closely associated the people of Iceland and the people of the United States in the fellowship of free men against whose tough determination to maintain their liberties the forces of oppression cannot prevail.

"I should be most grateful if you will convey to His Excellency the Regent of Iceland my cordial wishes for his health and happiness and for the happiness and well-being of the people of Iceland."

# Commercial Policy

## TRADE-AGREEMENT NEGOTIATIONS WITH ICELAND

[Released to the press November 17]

On November 17, the Secretary of State issued formal notice of intention to negotiate a trade agreement with the Government of Iceland.

The Committee for Reciprocity Information issued simultaneously a notice setting the dates for the submission to it of information and views in writing and of applications to appear at public hearings to be held by the Committee, and fixing the time and place for the opening of the hearings.

There is printed below a list of products which will come under consideration for the possible granting of concessions by the Government of the United States. Representations which interested persons may wish to make to the Committee for Reciprocity Information need not be confined to the articles appearing on this list, but may cover any articles of actual or potential interest in the import or export trade of the United States with Iceland. However, only the articles contained in the list issued November 17 or in any supplementary list issued later will come under consideration for the possible granting of concessions by the Government of the United States.

Suggestions with regard to the form and content of presentations addressed to the Committee for Reciprocity Information are included in a statement released by that Committee on December 13, 1937.

A compilation showing the total trade between the United States and Iceland during the years 1929-40 inclusive, together with the principal products involved in the trade between the two countries during the years 1939 and 1940, has been prepared by the Department of Commerce and is printed below.

### LIST OF PRODUCTS ON WHICH THE UNITED STATES WILL CONSIDER GRANTING CONCESSIONS TO ICELAND

NOTE: The rates of duty indicated are those now applicable to products of Iceland. Where the rate is one which has been reduced pursuant to a previous trade agreement by 50 percent (the maximum permitted by the Trade Agreements Act) it is indicated by the symbol **MR**. Where the rate represents a reduction pursuant to a previous trade agreement, but less than a 50-percent reduction, it is indicated by the symbol **R**. Where a rate has been bound against increase, but has not been reduced in a previous trade agreement, it is indicated by the symbol **B**; likewise, items which have been bound free of duty are indicated by the symbol **B**.

For the purpose of facilitating identification of the articles listed, reference is made in the list to the paragraph numbers of the tariff schedules in the Tariff Act of 1930.

In the event that articles which are at present regarded as classifiable under the descriptions included in the list are excluded therefrom by judicial decision or otherwise prior to the conclusion of the agreement, the list will nevertheless be considered as including such articles.

United States Tariff Act of 1930 Para- graph	Description of article	Present rate of duty	Symbol
717(c)-----	Fish, dried and unsalted: Cod, haddock, hake, pollock, and cusk.	2 $\frac{1}{2}$ ¢ per lb.	
	Other.....	1 $\frac{1}{2}$ ¢ per lb.	



United States Tariff Act of 1930 Paragraph	Description of article	Present rate of duty	Symbol
718(a)-----	Fish (other than tuna), prepared or preserved in any manner, when packed in oil or in oil and other substances: When of a value not exceeding 9 cents per pound, including the weight of the immediate container only.	44% ad val.	
	Other	30% ad val.	
718(b)-----	Fish (other than salmon), prepared or preserved in any manner, when packed in airtight containers weighing with their contents not more than fifteen pounds each (except fish packed in oil or in oil and other substances): Herring, smoked or kippered or in tomato sauce, packed in immediate containers weighing with their contents more than one pound each.	15% ad val.	R
	Other	25% ad val.	
719-----	Fish, pickled or salted (except fish packed in oil or in oil and other substances and except fish packed in airtight containers weighing with their contents not more than fifteen pounds each): (2) Cod, haddock, hake, pollock, and cusk, neither skinned nor boned (except that the vertebral column may be removed): When containing not more than 43 per centum of moisture by weight. When containing more than 43 per centum of moisture by weight. (4) Herring, whether or not boned: In bulk or in immediate containers weighing with their contents more than fifteen pounds each. In immediate containers (not airtight) weighing with their contents not more than fifteen pounds each.	$\frac{3}{4}$ ¢ per lb. $\frac{3}{4}$ ¢ per lb. $\frac{3}{4}$ ¢ - 1¢ per lb. net weight. 25% ad val.	MR MR R (in part)
720(a)-----	Fish, smoked or kippered (except fish packed in oil or in oil and other substances and except fish packed in airtight containers weighing with their contents not more than fifteen pounds each): (6) Other fish	25% ad val.	

United States Tariff Act of 1930 Paragraph	Description of article	Present rate of duty	Symbol
721(d)-----	Caviar and other fish roe for food purposes: Other than sturgeon Any of the foregoing roe, if boiled and packed in airtight containers, whether or not in bouillon or sauce.	20¢ per lb. 30% ad val.	
1519(a)---	Dressed furs and dressed fur skins, not dyed: Lamb and sheep (except caracul and Persian lamb).	15% ad val.	R
1685-----	Fish scrap and fish meal of a grade used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers.	Free	B
1730(b)---	Cod oil and cod-liver oil	Free	
1780-----	Fish scrap and fish meal, unfit for human consumption.	Free	

## DEPARTMENT OF STATE

## TRADE-AGREEMENT NEGOTIATIONS WITH ICELAND

*Public Notice*

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930", as extended by Public Resolution 61, approved April 12, 1940, and to Executive Order 6750, of June 27, 1934, I hereby give notice of intention to negotiate a trade agreement with the Government of Iceland.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to the negotiation of such agreement should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications, and the time set for public hearings.

CORDELL HULL  
*Secretary of State*

WASHINGTON, D. C.,  
November 17, 1941.



COMMITTEE FOR RECIPROCITY INFORMATION  
TRADE-AGREEMENT NEGOTIATIONS WITH ICELAND

*Public Notice*

Closing date for submission of briefs, December 8, 1941; closing date for application to be heard, December 8, 1941; public hearings open, December 15, 1941.

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the negotiation of a trade agreement with the Government of Iceland, of which notice of intention to negotiate has been issued by the Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, December 8, 1941. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D.C."

A public hearing will be held beginning at 10 a. m. on December 15, 1941, before the Committee for Reciprocity Information in the hearing room of the Tariff Commission in the Tariff Commission Building, where supplemental oral statements will be heard.

Six copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 17th day of November 1941.

E. M. WHITCOMB  
*Acting Secretary*

WASHINGTON, D.C.,  
*November 17, 1941.*

[Released to the press November 1941]

SUPPLEMENT TO THE LIST OF PRODUCTS ON WHICH  
THE UNITED STATES WILL CONSIDER GRANTING  
CONCESSIONS TO ICELAND

Public notice of intention to negotiate a trade agreement with the Government of Iceland was issued on November 17, 1941. In connection with that notice, there was published a list of products on which the United States will consider the granting of concessions to Iceland, and it was announced that concessions on products not included in the list would not be considered unless supplementary announcement were made.

The Secretary of State announced on November 19 an additional product on which the United States will consider granting concessions to Iceland.

The Committee for Reciprocity Information has prescribed that all information and views in writing and all applications for supplemental oral presentation of views relating to the product included in the following supplement shall be submitted to it not later than 12 o'clock noon, December 8, 1941. They should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C." Supplemental oral statements with regard to the product contained in the following supplement will be heard at the public hearing beginning at 10 a.m. on December 15, 1941, before the Committee for Reciprocity Information, in the hearing room of the Tariff Commission in the Tariff Commission Building.

Suggestions with regard to the form and content of presentations addressed to the Committee for Reciprocity Information are included in a statement released by that Committee on December 13, 1937.

In the event that articles which are at present regarded as classifiable under the paragraph of the United States Tariff Act of 1930 and the section of the Internal Revenue Code specified below are excluded therefrom by judicial decision or otherwise prior to the conclusion of the agreement, the supplement will nevertheless be considered as including such articles.

United States Tariff Act of 1930 Paragraph	Description of article	Present rate of duty
52.....	Herring oil.....	5¢ per gallon.

  

Internal Revenue Code Section		Present rate of import tax
2491(a)...	Herring oil.....	3¢ per lb.

The texts of the announcement by the Secretary of State and the public notice of the Committee for Reciprocity Information of the supplement to the list of products on which the United States will consider granting concessions to Iceland follow:

#### DEPARTMENT OF STATE

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930", as extended by Public Resolution 61, approved April 12, 1940, and to Executive Order 6750, of June 27, 1934, public notice of intention to negotiate a trade agreement with the Government of Iceland was issued on November 17, 1941. In connection with that notice, there was published a list of products on which the United States will consider the granting of concessions to Iceland, and it was announced that concessions on products not included in the list would not be considered unless supplementary announcement were made.

I hereby announce that the product described in the attached supplement has been added to the list issued on November 17, 1941.

CORDELL HULL  
*Secretary of State*

WASHINGTON, D.C.,  
November 19, 1941.

#### COMMITTEE FOR RECIPROCITY INFORMATION TRADE-AGREEMENT NEGOTIATIONS WITH ICELAND *Public Notice*

##### Supplement to the List of Products

Closing date for submission of briefs, December 8, 1941; closing date for application to be heard, December 8, 1941; public hearings open, December 15, 1941.

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, with regard to the supplement to the list of products announced by the Secretary of State on this date in connection with the negotiation of a trade agreement with the Government of Iceland, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, December 8, 1941. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D.C."

A public hearing will be held beginning at 10 a. m. on December 15, 1941, before the Committee for Reciprocity Information, in the hearing room of the Tariff Commission in the Tariff Commission Building, when supplemental oral statements will be heard with regard to herring oil.

Six copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 19th day of November 1941.

E. M. WHITCOMB  
*Acting Secretary*

WASHINGTON, D. C.,  
November 19, 1941.

## TRADE OF THE UNITED STATES WITH ICELAND

(Compiled in the Bureau of Foreign and Domestic Commerce, Department of Commerce)

## UNITED STATES MERCHANDISE TRADE WITH ICELAND, 1929-40

(Values in Thousands of Dollars)

Year	Exports to Iceland, including re-exports	General imports from Iceland	Year	Exports to Iceland, including re-exports	General imports from Iceland
1929.....	448	544	1936.....	104	1, 108
1930.....	361	437	1937.....	174	1, 030
1931.....	291	442	1938.....	131	1, 206
1932.....	67	324	1939.....	442	1, 375
1933.....	132	490	1940 *.....	2, 254	2, 673
1934.....	238	616			
1935.....	116	1, 024			

\* Trade figures for 1940 are preliminary.

## UNITED STATES EXPORTS TO ICELAND—Continued.

(By Principal Commodities)

Commodity	Quantity		Value (\$1,000)	
	1939	1940	1939	1940
Exports including re-exports, total.....			442	2, 254
Sole leather, bends, backs, & sides (1,000 lb.).....	8	91	4	34
Corn (1,000 bu.).....	3	11	2	10
Rice, milled, including brown rice and rice screenings (1,000 lb.).....	223	392	8	12
Rye (1,000 bu.).....	4	10	4	10
Wheat flour, wholly of U.S. wheat (Barrel).....	942	4, 488	4	16
Other wheat flour (Barrel).....	7, 487	19, 107	22	77
Miscellaneous grains and preparations.....			11	28
Coconut oil, edible (1,000 lb.).....	829	1, 773	59	86
Soybean oil (1,000 lb.).....	112	409	8	27
Sugar, refined (1,000 lb.).....	1, 464	9, 700	55	269
Rubber boots (Pair).....	5, 261	8, 220	12	18
Cigarettes (Million).....	4	3	10	7
Cotton twine, rope & cordage (1,000 lb.).....	1	77	(*)	23
Cotton denims (1,000 sq. yd.).....	102	61	15	9
Bags of jute (1,000 lb.).....		152		20
Boards, planks, and scantlings:				
Southern pine, rough (M. bd. ft.).....	41	589	3	14
Oak (M. bd. ft.).....	3	201	(*)	23
Plywood, other than Douglas fir (1,000 sq. ft.).....	<sup>b</sup> n.s.s.	312	n.s.s.	17
Newsprint paper (1,000 lb.).....	6	126	(*)	5
Book paper, not ecated (1,000 lb.).....		213		20
Greaseproof and waterproo of paper (1,000 lb.).....	1	103	1	17

See footnotes at end of table.

## UNITED STATES EXPORTS TO ICELAND—Continued.

Commodity	Quantity		Value (\$1,000)	
	1939	1940	1939	1940
Wrapping paper, except Kraft (1,000 lb.)-----	(*)	318	(*)	26
Kraft wrapping paper (1,000 lb.)-----		248		13
Paper board, other than bristol and bristol board (1,000 lb.)-----		190		9
Paper boxes and cartons, other than heavy fiber shipping containers (1,000 lb.)-----		416		32
Bituminous coal (Ton)-----		5,803		28
Lubricating oil, red and pale (Barrel)-----	1,312	2,360	16	30
Lubricating oil, cylinder, bright stocks (Barrel)-----	508	594	9	11
Iron bars (1,000 lb.)-----		251		8
Concrete reinforcement bars (1,000 lb.)-----	2	965	(*)	23
Steel bars, other than cold finished or concrete reinforcement, not containing alloy (1,000 lb.)-----	1	671	(*)	21
Iron and steel plates, other than boiler plate, not fabricated, not containing alloy (1,000 lb.)-----	48	767	1	22
Steel sheets, black, ungalvanized, not containing alloy (1,000 lb.)-----	288	1,767	11	59
Tin plate and taggers' tin (1,000 lb.)-----	206	755	14	47
Iron and steel structural shapes, not fabricated (Ton)-----		156		11
Welded black pipe, steel (1,000 lb.)-----	51	328	2	12
Wire nails (1,000 lb.)-----		449		18
Nickel-chrome electric resistance wire (1,000 lb.)-----		97		109
Miscellaneous conveying equipment & parts-----				10
Knee and column type milling machines, power driven (Number)-----		6		18
Miscellaneous automobile parts for replacement-----			13	48
Landplanes, powered (Number)-----		1		9
Coal-tar colors, dyes, stains, and color lakes (1,000 lb.)-----	1	12	(*)	12
Calcium carbide (1,000 lb.)-----		220		8
Potassium compounds, not fertilizers (1,000 lb.)-----	21	110	2	11
Exposed motion-picture films, positive, features (1,000 lin. ft.)-----		720		10
All other exports, including re-exports-----			156	907

\* Less than 500.

† n.s.s.—not shown separately.

## UNITED STATES IMPORTS FROM ICELAND

(By Principal Commodities)

Commodity	Quantity		Value (\$1,000)	
	1939	1940	1939	1940
Imports for consumption, total-----			1,376	2,633
Fish, other than cod, haddock, hake, pollock, & cusk, dried & unsalted (1,000 lb.)-----	6	325	(*)	39
Miscellaneous fish, in oil or in oil and other substances, valued over 9 cents per pound (1,000 lb.)-----	4	36	1	7
Fish cakes, balls, & pudding (1,000 lb.)-----	14	151	1	14
Sardines and other herring, not in oil; in airtight containers, weighing, with contents, not over 15 lbs. each (1,000 lb.)-----	18	96	3	10



## UNITED STATES IMPORTS FROM ICELAND—Continued.

Commodity	Quantity		Value (\$1,000)	
	1939	1940	1939	1940
Herring, pickled or salted (except in oil), in containers containing each more than 10 pounds of herring:				
If known commercially as full herring (1,000 lb.)-----	2,762	5,568	108	276
Valued 6¢ or more per lb. (1,000 lb.)-----	84	482	6	40
Other herring, except beheaded, eviscerated, or split (1,000 lb.)-----	2,036	2,649	88	125
Sheep and lamb skins, pickled, not split, no wool (1,000 lb.)-----	21	174	2	32
Fox furs (other than silver and black), undressed (Number)-----	100	1,203	3	14
Cod oil (1,000 gal.)-----	17	35	5	26
Cod-liver oil (1,000 gal.)-----	1,701	1,395	1,094	1,790
Donskoi, Smyrna, and similar wools, without merino or English blood:				
In the grease (1,000 lb., clean cont.)-----	12	60	4	22
Washed (1,000 lb., clean cont.)-----	25	84	8	35
Fish scrap and fish meal, not fertilizer (Ton)-----		943		50
All other imports for consumption-----			53	153

• Less than 500.

## COMMERCIAL COOPERATION BETWEEN THE AMERICAN REPUBLICS

RADIO ADDRESS BY ASSISTANT SECRETARY ACHESON<sup>1</sup>

[Released to the press November 21]

In this hemisphere today more than a quarter of a billion people are working to make from the vast resources of our American earth the things which shall win this war. The final shaping of the greater part of these products is done in the plants of this country. But behind the last stage lies a vast organized activity, involving the cooperation and work of 21 nations and their peoples and industries from Canada to Cape Horn. It is an inspiring chapter in the history of free peoples maintaining their freedom.

If we looked at this hemisphere from Mars with vision exceeding any telescope, we should see innumerable beehives of work in every country. We should see, too, from every country a stream of products merging together to make great torrents moving between the continents

and from each of them to the fighting fronts. Moving northward are basic materials for our factories—from Chile, copper and nitrates; from Bolivia, tin; from Brazil, iron and manganese ores; from Argentina, hides and wool; from Colombia, platinum; from Venezuela, petroleum; from Mexico, lead, zinc, copper, sisal, and mercury; while from Cuba and the other Caribbean republics come sugar and other products which are both essential foodstuffs and industrial raw materials. In the southward stream are the products of our mines and factories—railroad equipment, mining and agricultural machinery, road-building equipment, vehicles, coal, finished petroleum products, and manufactured articles of all sorts.

Then from the shores of both continents moves the stuff with which the war is fought—and will be won—from the southern continent food and raw materials, from the northern more food and weapons and the tools with which to make still more.

<sup>1</sup> Delivered over the blue network of the National Broadcasting System November 21, 1941.

So it would look to the man on Mars, and so it is. But behind these streams of goods and the effort of millions of workers in the Americas is organization and cooperation between their governments.

First of all, the governments of our neighbor countries, to mobilize their products and to keep them from hostile hands, have by law provided systems of export control. These laws dam up undesirable outlets, but cannot themselves move the goods. This we must do, and are doing, by providing through agencies of this Government markets at fair prices, through which the products of every country are drawn to our mills and factories. Arrangements have been entered into between this Government and those of many of our neighbors not only to purchase their exportable products but to increase the production of materials essential to our plants.

Today the exports of the other American nations to us are more than twice what they were before the war, and amount to a billion dollars a year. Where a few years ago there were surpluses piling up and unemployment threatened, we are now searching for new methods of expanding production. The British purchases of foodstuffs and our own requirements have found markets for all but a few of the products which so short a time past presented insuperable problems. And they have found markets where these products play a part of vital importance in supplying the vast needs of our war plants. Without them the program could not go forward on the scale which victory requires.

For these goods we pay in money. But money is only a means by which the businessmen and the workers who produced the goods can buy the materials to keep their industries in operation and buy the things which they need to live. The other American nations are primarily producers of raw materials—minerals, oil, foodstuffs, and textile fibers. They are purchasers of manufactured and partly manufactured goods. These purchases they made abroad. Before the war they made nearly two thirds of them out-

side this hemisphere where they sold their own products. Today they must look to us.

They look to us at a time when the demands upon our power to produce far exceed the capacity of our plants or the supplies of materials at our disposal. The needs of our own great military program, of the nations whose fight is our fight, of our own and other civilian populations who look to us, are staggering. But the obligation to share with our neighboring countries, who are sharing their products with us, is plain. We accept it willingly and determinedly.

Already our exports to Central and South American countries have increased 57 percent in the first nine months of this year over the same period of 1938. But it has become plain that only by active cooperation between the governments can the job be done. The very products which the other American countries need most are necessarily subject to the most strict control through priority and allocation orders in this country. The needs of our neighbors can be met only by allocating to them a fair portion of our production. To do this requires full knowledge of their needs, a thorough study of materials which may be substituted for those no longer available for commercial use, and some determination of the order of importance of competing needs.

All this has been going on for many months. The closest contact has existed between the other governments and our own. The fullest help has been given by each to the other. There has been a common determination to solve one of the most complicated supply problems ever attempted. The authorities concerned are confident that the way has been found and that allocations can and will begin shortly, first with the most essential commodities and then with the rest.

The will to act exists. The spade work is done. The flow of materials southward will be maintained and increased.

But this Government would not be performing its full duty to its own citizens and to its neighbor countries if it acted only to insure the flow of funds and goods to these countries. It

must insure also that the use of our resources of money and products does not fall into hostile hands in our own country or in theirs. This is an obligation not only imposed by common sense but accepted by agreement.

At the Habana Conference of the American republics held in July 1940, it was agreed that each of the governments should adopt all necessary measures to prevent and suppress any activities directed or assisted by foreign governments or foreign nationals which might subvert the domestic institutions of any of the republics or foment disorder in their internal political life.

A plain case in point was that some businesses in this country and the other republics were being carried on with American funds and goods so as either to benefit hostile nations directly or to finance intrigue and propaganda against us and our neighbors. Against this we have acted with vigor and determination. By the use of emergency fund freezing powers we are firmly controlling business and financial activities within this country carried on for the benefit or under the control of certain foreign interests. In some cases transactions are forbidden altogether; in other cases, permitted only under the most careful licensing procedure and supervision. If any of our own citizens act on behalf of these foreign interests they subject themselves to the same measures of control.

We have acted in the same way, no more and no less firmly, to prevent United States business and money and goods from being used by the same foreign interests to work harm to us and to the other republics, through our foreign commerce.

On July 17, 1941 the President authorized, under acts of Congress, the establishment of a Proclaimed List of Certain Blocked Nationals. This action forbade, without a special license, United States firms from having dealings with the listed persons, including selling to or buying from them or engaging in financial transactions with them. In other words, it prevented our resources and commercial facilities from being used on behalf of or to benefit for-

eign interests alien to this hemisphere and hostile to it. These interests, of course, assert vociferously, through their propaganda, that this action in refusing to nourish them with our own commercial resources is an interference with the affairs of our neighbors. In fact, it is a restraint imposed upon our own citizens in fulfillment both of our agreement at Habana and of our simple duty to ourselves and our friends.

In its actual operation the list has justified its purpose of insuring that trade with us should be in all cases beneficial and not harmful to our neighbors. It has directed trade to persons loyal to the various governments. Where it would be harmful to the economy of a neighboring country to stop all business of a listed firm with the United States, cooperative arrangements have been worked out with the government concerned by which transactions are permitted so far as they are brought under its control and benefit only our mutual interests.

We have exercised the utmost care to see to it that action in including names upon the list, as well as deleting names from it, is just and based upon facts. In the first instance the evidence is thoroughly tested and reviewed by representatives of six departments of this Government. Full weight is given to the statements of persons concerned and the views of governments which may be interested. Where mistakes have been made—and no human system can be beyond error—they have been promptly corrected. This process will continue. This Government is determined that the administration of the list shall be fair and objective. It is determined also that the purpose of the list shall not be circumvented by subterfuge, and that the resources of this country shall not be used to subvert its own or its neighbors' institutions or to aid the avowed enemies of those institutions.

To defeat those enemies is the task immediately before us—to that common task each of the nations of America has set its will, its resources, and its work.



## The Foreign Service

### PERSONNEL CHANGES

[Released to the press November 22]

Mr. Walter Thurston, of Phoenix, Ariz., at present Counselor of the American Embassy in Moscow, U.S.S.R., during the period of his incumbency in that office will have the honorary rank of Minister.

Mr. Walter Thurston was born near Denver, Colo., on December 5, 1894. He was appointed clerk in the American Legation at Guatemala, Guatemala, on March 26, 1917, and designated special agent of the Department of State in Guatemala with the honorary rank of *Chargé d'Affaires* on December 22, 1917. He was appointed American Foreign Service officer on May 3, 1918 and served in London, Rio de Janeiro, Asunción, and Madrid. He was designated Counselor of the American Embassy at Moscow, U.S.S.R., on April 14, 1939.

[Released to the press November 22]

The following changes have occurred in the American Foreign Service since November 15, 1941:

Clarence C. Brooks, of West Hoboken, N. J., Second Secretary of Embassy at Santiago, Chile, has been designated First Secretary of Embassy at Santiago, Chile.

Thomas McEnelly, of New York, N. Y., formerly Consul at Palermo, Italy, has been assigned as Consul at Barcelona, Spain.

Edmund B. Montgomery, of Quincy, Ill., Consul at San Luis Potosí, Mexico, has been designated First Secretary of Legation and Consul at Asunción, Paraguay, and will serve in dual capacity.

James T. Scott, of Eatonton, Ga., Consul at Beirut, Lebanon, has been assigned as Consul at Bombay, India.

Everett F. Drumright, of Drumright, Okla., Second Secretary of Embassy at Nanking, China, has been assigned as Consul at Shanghai, Kiangsu, China.

Albert W. Scott, of Kansas City, Mo., Consul at Jerusalem, Palestine, has been designated Second Secretary of Legation and Consul at Cairo, Egypt, and will serve in dual capacity.

Willard Galbraith, of Los Angeles, Calif., Consul at Batavia, Java, Netherlands Indies, has been assigned as Consul at Barcelona, Spain.

Paul S. Guinn, of Catawissa, Pa., Second Secretary of Embassy at Berlin, Germany, has been assigned as Consul at Batavia, Java, Netherlands Indies.

Carlton Hurst, of Washington, D. C., Second Secretary of Embassy at Berlin, Germany, has been assigned as Consul at Georgetown, British Guiana.

Easton T. Kelsey, of Ann Arbor, Mich., formerly Vice Consul at Oslo, Norway, has been assigned as Vice Consul at Toronto, Ontario, Canada.

The assignment of Overton G. Ellis, Jr., of Tacoma, Wash., as Third Secretary of Legation at Guatemala, Guatemala, has been canceled.

Alvin T. Rowe, Jr., of Fredericksburg, Va., Vice Consul at Shanghai, Kiangsu, China, has been designated Third Secretary of Legation and Vice Consul at Managua, Nicaragua, and will serve in dual capacity.

Theodore S. Orme, of Houston, Tex., has been appointed Vice Consul at Ciudad Trujillo, Dominican Republic.

Worthington E. Hagerman, of Carmel, Ind., formerly Vice Consul at Bordeaux, France, has been appointed Vice Consul at Lisbon, Portugal.

Kenneth W. Vittetoe, of Sumner, Wash., has been appointed Vice Consul at La Ceiba, Honduras.

Charles H. Stephan, of Staten Island, N. Y., Vice Consul at Kobe, Japan, has been appointed Vice Consul at St. John's, Newfoundland.

## Treaty Information

*Compiled in the Treaty Division*

### MUTUAL ASSISTANCE

#### RESOLUTION XV ON RECIPROCAL ASSISTANCE AND COOPERATION FOR THE DEFENSE OF THE NATIONS OF THE AMERICAS

##### *Venezuela*

By a letter dated November 7, 1941 the Director General of the Pan American Union informed the Secretary of State that on October 28, 1941 the Ambassador of Venezuela in Washington deposited with the Union the instrument of ratification by the Government of Venezuela of Resolution XV on Reciprocal Assistance and Cooperation for the Defense of the Nations of the Americas, approved by the Second Meeting of the Ministers of Foreign Affairs of the American Republics, held at Habana, July 21-30, 1940.

The Resolution as contained in the Final Act of the Habana Meeting appeared in the *Bulletin* of August 24, 1940, page 136.

### CLAIMS AND FINANCE

#### AGREEMENTS WITH MEXICO

A statement regarding the outlines of the several agreements covering claims and financial problems reached on November 19 between the Mexican Government and the United States, together with a statement by the Secretary of State and the text of the notes exchanged between the Secretary of State and the Mexican Ambassador at Washington, appears in this *Bulletin* under the heading "American Republics".

### COMMERCE

#### TRADE AGREEMENT WITH ICELAND

An announcement regarding the intention to negotiate a trade agreement with the Government of Iceland and a list of products on which the United States will consider granting con-

cessions to Iceland appear in this *Bulletin* under the heading "Commercial Policy".

### FLORA AND FAUNA

#### CONVENTION ON NATURE PROTECTION AND WILDLIFE PRESERVATION IN THE WESTERN HEMISPHERE

##### *Venezuela*

The Director General of the Pan American Union informed the Secretary of State by a letter dated November 17, 1941 that the instrument of ratification by Venezuela of the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, which was opened for signature at the Pan American Union on October 12, 1940, was deposited with the Union on November 3, 1941. The instrument of ratification is dated October 9, 1941.

The convention, which will enter into force three months after the deposit of not less than five ratifications, has been ratified by the United States of America, Guatemala, and Venezuela.

### LEGAL ASSISTANCE

#### PROTOCOL ON UNIFORMITY OF POWERS OF ATTORNEY WHICH ARE TO BE UTILIZED ABROAD

##### *Venezuela*

By a letter dated November 17, 1941 the Director General of the Pan American Union informed the Secretary of State that the instrument of ratification by Venezuela of the Protocol on Uniformity of Powers of Attorney Which Are To Be Utilized Abroad, which was opened for signature at the Pan American Union on February 17, 1940, was deposited with the Union on November 3, 1941.

The instrument of ratification, which is dated October 9, 1941, contains the modifica-

tion of the first clause of article 1 made by the Plenipotentiary of Venezuela at the time of signature, which reads in translation as follows:

"1. If the power of attorney is executed by or on behalf of a natural person, the attesting official (notary, registrar, clerk of court, judge or any other official upon whom the law of the respective country confers such function) shall certify that he knows the person executing the instrument and that he has the legal capacity to execute it, according to the documents he has produced."

### TELECOMMUNICATIONS

#### INTER-AMERICAN ARRANGEMENT CONCERNING RADIOCOMMUNICATIONS

##### *Dominican Republic*

The American Ambassador to Cuba reported by a despatch dated November 8, 1941 that the instrument of ratification by the Dominican Republic of the Inter-American Arrangement Concerning Radiocommunications, signed at Habana December 13, 1937, was deposited with the Cuban Government on November 5, 1941.

The arrangement has been ratified by the United States of America, Brazil, Canada, Chile, Dominican Republic, Haiti, Mexico, Panama, and Peru.

### Legislation

Joint Resolution To repeal sections 2, 3, and 6 of the Neutrality Act of 1939, and for other purposes. [H.J.Res. 237.] Approved, November 17, 1941. (Public Law 294, 77th Cong.) 1 p.

Amending Paragraph 1798 of the Tariff Act of 1930, as Amended [by permitting free entry of articles imported by returning residents from certain countries on the basis of the frequency of use of the exemption rather than the length of visit abroad]. (H. Rept. 1416, 77th Cong., 1st sess., on H.R. 1632.) 3 pp.

Amending the Sugar Act of 1937, as Amended. (H. Rept. 1430, 77th Cong., 1st sess., on H.R. 5988.) 8 pp.

River and Harbor Bill [Section 2 authorizes the St. Lawrence seaway and power project, pursuant to the agreement with Canada March 19, 1941, pp. 105-111]. (H. Rept. 1431, 77th Cong., 1st sess., on H.R. 5993.) 159 pp.

### Regulations

Control of Persons Entering and Leaving the United States Pursuant to the Act of May 22, 1918, as Amended:

Aliens Leaving. (Department of State and Department of Justice.) 6 *Federal Register* 5927 and 5911.

Aliens Entering. (Department of State and Department of Justice.) 6 *Federal Register* 5929 and 5914.

### Publications

#### DEPARTMENT OF STATE

Detail of Military Officer To Serve as Director of the Military Academy of the National Guard of Nicaragua: Agreement Between the United States of America and Nicaragua—Signed May 22, 1941; effective May 22, 1941. Executive Agreement Series 217. Publication 1654. 10 pp. 5¢.

Diplomatic List, November 1941. Publication 1659. ii, 105 pp. Subscription, \$1 a year; single copy, 10¢.

Foreign Service List, October 1, 1941. Publication 1661. iv, 107 pp. Subscription, 50¢ a year; single copy, 15¢.